

**ARIZONA OUTDOOR RECREATION COORDINATING COMMISSION  
(AORCC)  
OF  
ARIZONA STATE PARKS (ASP)  
Arizona State Parks Office  
via teleconference and at  
1300 West Washington St  
Phoenix, AZ  
July 28, 2009**

**A. CALL TO ORDER AND ROLL CALL**

Chair Bell called the meeting to order at 3:00pm. Ms. Shulman called the roll and announced a quorum.

**Commission Members Participating, either in person or by telephone:**

Jeff Bell, Chair  
Renee Bahl, Director of ASP  
William Schwind  
Devin Rankin (joined 3:02pm)  
Karla Brady

**Commission Members Absent:**

Larry Voyles  
Margaret Nyberg

**Arizona State Parks Staff:**

Kent Ennis, Assistant Director for Administration  
Doris Pulsifer, Chief of Grants  
Laurie Hachtel, Assistant Attorney General for ASP  
Ruth Shulman, Advisory Committee Coordinator

**Guests:** Harry Seck, Arizona Game & Fish Department

**B. ACTION ITEMS**

**1. Consider temporary waiver of terms and conditions of the 1994 Memorandum of Understanding (MOU) between AORCC and ASP.**

Ms. Pulsifer began this item by thanking the Commission for attending and participating in this meeting. She noted that the agenda packet contained a copy of the MOU as well as a Staff report giving details on the history of the MOU, and the reasoning behind the request for the temporary waiver. The intent of the waiver is to present the ASP Board with a recommendation at their Monday, August 3, 2009 meeting with for the transfer of moneys between certain funds.

AORCC was first constituted in 1965 as a stand-alone agency. In 1984 it was melded into ASP and has served as the Board in an advisory capacity since then.

The MOU was drafted following an audit recommendation in 1994, to resolve conflicts between ASP and AORCC. The specific portion of the MOU under discussion here is Issue #1, Solution #3 dealing with the separation of ASP's portion of designated grants funds from all other applicants.

Ms. Pulsifer continued by saying that traditionally, AORCC reviews the grant applications and makes a funding recommendation to the ASP Board. The Board reviews the recommendations and makes grants award decisions at their September meeting. Also, traditionally, the amount of money available for grant awards is based on the revenue available for each grant program.

Unfortunately, beginning in FY2009 the agency faced huge budget cuts. Those cuts continue to be severe with the FY2010 budget. These cuts will likely continue beyond FY2010 as well. As a result of these cuts, the ASP Board has had to take "non-traditional" measures to address the budget issues. One of these measures is transferring moneys between ASP funds. The authority to carry out these transfers was granted by SB 1188, §111. Ms. Pulsifer noted that the text of §111 appears in its entirety in the agenda packet report.

In light of the severe budget issues, Staff is recommending a temporary waiver of the terms and conditions of the MoU in order to allow the Board flexibility in using SLIF funds for operation of state parks and LWCF for eligible state parks projects. The Board is also considering canceling the FY2010 grant cycle.

Mr. Schwind asked Ms. Pulsifer when the FY2010 grant cycle occurs. Ms. Pulsifer replied that the funds accumulate in calendar year 2009 and the grant cycle occurs in calendar year 2010. Mr. Schwind then asked if the moneys accumulated in 2010 would "sit" until the next grant cycle can occur. Ms. Pulsifer noted that canceling the 2010 grant cycle would mean that the 2010 funds would not be available for grants. Mr. Schwind asked if the 2011 grant cycle should be canceled as well. Director Bahl said that ASP is taking one year at a time, and that the hope is the budget situation will be improved by 2011. She did note that the State Lake Improvement Fund (SLIF) moneys are allocated for three-year periods, and the allocation comes forward this year. This means that if the allocation is \$5 million, then it will be \$5 million until June 30, 2012. The hope is that the Heritage Fund will provide moneys for future grant cycles.

Chair Bell referenced the budget overview held by Director Bahl on Thursday, July 23, and asked that she share with AORCC the ASP Board priorities as outlined then. Director Bahl said that the Board had four main priorities: 1) Operating parks and the department; 2) reinstate previously suspended grant awards; 3) capital projects and maintenance in the parks; and 4) new grant cycles. Chair Bell asked for further questions.

Director Bahl noted that the recommendation to the ASP Board under request is to use all of the SLIF revenue for operating. While the use of these funds doesn't

alleviate the need for further spending cuts, the priority is to reinstate the suspended grants and backfill operating funds that have been swept or cut, by using a combination of Heritage Funds, Off-Highway Vehicle revenue, the ASP Natural Areas Acquisition Heritage fund and all of Land & Water Conservation funds for projects.

Mr. Schwind moved to recommend waiving the terms and conditions of the 1994 Memorandum of Understanding between the Arizona Outdoor Recreation Coordinating Commission (AORCC) and the Arizona State Parks Board, in order to facilitate the non-traditional transfers and backfills between Arizona State Parks funds. Specifically the LRSP and Trails Heritage Funds, and SLIF Funds for the FY 2010 budget will be used to meet necessary operational requirements. It is further recommended that the FFY 2009 LWCF apportionment be applied to eligible State Park projects and that these recommendations be forwarded to the Arizona State Parks Board. Ms. Rankin seconded the motion.

Mr. Schwind asked for a legal opinion from Ms. Hachtel on the proposed use of the specific funds. Ms. Hachtel replied that the transfers proposed by staff and the ASP Board would be reviewed by the Joint Legislative Budget Committee (JLBC). Ms. Brady asked for clarification of the relationship between SB1188 § 111 and the MOU, and whether the MOU terms and conditions *could* (emphasis by speaker) be waived. Ms. Hachtel replied that there are no specific provisions for changes to or cancellation of the terms and conditions of the MOU, which was common in the period the document was written. The motion to change is an appropriate one. Ms. Brady then asked whether the sweeps by the Legislature could be considered illegal because the MOU was not waived beforehand. Ms. Hachtel noted that, while a case against the Legislature was recently decided in the matter of sweeps of voter-protected measures, the Legislature's sweeps have otherwise not been struck down by a court. Director Bahl noted that the authority to sweep funds derives from language in the relevant statutes. She further noted that this meeting asking AORCC to waive the terms and conditions in the MOU was called because of the legal but non-traditional use of the specific funds under discussion. Ms. Brady expressed some discomfort with the alternate use of funds that have an already pre-determined use. Ms. Hachtel noted that SB1188 §111 specifically gives the agencies permission to use funds for operations.

Chair Bell asked if there were further questions from the Commission. With no further questions forthcoming, he then asked for a roll-call vote on the motion. The motion carried with four ayes and one "present".

Mr. Schwind asked when the ASP Board would be meeting on the above motion. Director Bahl said the Board would be meeting on Monday, August 3, at the Arizona State Land Department, 1616 W. Adams St. in Phoenix at 9:00am. Ms. Shulman will provide the Commissioners with a copy of the ASP Board agenda, and following the Board meeting, will also provide a summary of actions by the Board. However, the

Board's budget decisions may be meaningless unless the Legislature passes the Budget Reconciliation Bill.

**2. Discuss agenda and quorum for the next scheduled AORCC meeting.**

Ms. Pulsifer asked the Commission by way of a quorum call whether they would be able to attend the meeting scheduled for August 13, and whether the meeting would be by teleconference. She noted that there would be the following items on the meeting agenda so far: the AORCC presentation to the ASP Board in November, the recommendation for the Trails 2010 Plan, and an update on the ASP budget if new information is available. All present Commissioners including Chair Bell are available for the meeting; Chair Bell expressed his preference for a face-to-face meeting.

**C. ADJOURNMENT**

Chair Bell adjourned the meeting at 3:29pm.